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Franks shake-up for 'spy' machine

By GEORGE JONES, Political Correspondent

MRS THATCHER is ready to implement major changes at the top of Britain's intelligence machinery put forward by the Franks Report on the events leading up to the Falklands invasion.

She is expected to announce on Tuesday at the start of a two-day Commons debate on the report, that she has accepted the Franks committee suggestion that there should be a review of the Government's joint intelligence apparatus, with the Foreign Office losing the chairmanship of the Joint Intelligence Committee.

Lord Franks and his team of senior Privy Councillors suggested that the committee, at present chaired by a deputy Under-Secretary in the Foreign Office, should have a full-time chairman "with a more critical and independent role" who would be appointed by the Prime Minister from within the Cabinet Office.

Government sources indicated last night that Mrs Thatcher would accept this suggestion, though she was not necessarily expected to announce the name of a new chairman during the Commons debate.

The Franks report—which exonerated Mrs Thatcher from any blame for the invasion—found the joint intelligence machinery "too passive in operation to respond quickly and critically to a rapidly changing situation which demanded urgent attention."

Despite Government efforts to play down the significance of the changes—probably due

to a new attempt to heal the rift between Downing Street and the Foreign Office—some observers believe they will amount to the most significant shakeup of the Joint Intelligence Committee for 40 years.

The committee's prime responsibility is alerting ministers to possible crises.

Mrs Thatcher's swift response to Franks is designed to take the heat out of the expected Labour attack. Opposition leaders have been combing the

report for instances of where the Government machine broke down, and plan to accuse Mrs Thatcher of both lack of interest and professionalism in dealing with the threat of invasion.

Mr Foot remains convinced that the report points to collapse of Cabinet government under Mrs Thatcher, particularly with the disclosure that the Cabinet's Defence Committee postponed a discussion on the Falklands for six months during the critical period in the run-up to the crisis.

Ministers now believe Britain will have to defend the islands probably through the House of Parliament, which could mean maintaining a garrison in the Falklands until late 1985. The costs of the Falklands, replacing lost ships and maintaining the garrison, are put at around £3 billion in 1985-86.